HB 21-1180

Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

Revised Fiscal Note
(replaces fiscal note dated March 11, 2021)

Drafting Number: LLS 21-0289
Date: May 5, 2021
Bill Status: Senate Appropriations
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Bill Topic: MEASURES TO INCREASE BIOMASS UTILIZATION

Summary of Fiscal Impact:
☒ State Revenue
☒ State Expenditure
☐ State Transfer
☐ TABOR Refund
☐ Local Government
☐ Statutory Public Entity

The bill creates the biomass utilization grant program in the Colorado State Forest Service. The bill increases state expenditures and may increase state revenue through FY 2026-27.

Appropriation Summary: No appropriation is required; the bill increases expenditures from a continuously appropriated cash fund.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill, as amended by the Senate Agriculture and Natural Resources Committee.

Table 1
State Fiscal Impacts Under HB 21-1180

<table>
<thead>
<tr>
<th></th>
<th>Budget Year FY 2021-22</th>
<th>Out Year FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditures</td>
<td>Cash Funds up to $2,500,000(^1)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TABOR Refund</td>
<td>-</td>
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</tbody>
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\(^1\) Grants may be awarded through September 1, 2026, when the grant program is repealed.
Summary of Legislation

The bill creates the biomass utilization grant program in the State Forest Service. The Forest Service is authorized, at the discretion of the State Forester, to implement the grant program by awarding up to $2.5 million in grants to demonstrate biomass utilization benefits for wildfire prevention and mitigation, energy generation, and agriculture from biochar.

The Forest Service may administer the grant program using money in the Healthy Forests and Vibrant Communities Fund, and any gifts, grants, or donations received. The Forest Service must submit a report on or before March 1, 2023, and in subsequent years in which grants are awarded. The report must include a description of the projects awarded, the geographic areas serviced, and the amount that was awarded, to the Governor and relevant legislative committees. The grant program is repealed on September 1, 2026, pending a sunset review.

State Revenue

The bill authorizes the Forest Service to seek and expend gifts, grants, and donations, which are exempt from TABOR. As of writing, no gifts, grants, or donations have been identified.

State Expenditures

The bill may increase expenditures in the Department of Higher Education, where the Forest Service is housed, by up to $2.5 million between FY 2021-22 and FY 2026-27. Expenditures are at the discretion of the State Forester. Grants and administrative costs will be paid from the Healthy Forests and Vibrant Communities Fund, which is continuously appropriated to the department, as well as any gifts, grants, and donations received. The department will also have an increased workload to submit grant reporting to the Governor and General Assembly beginning in FY 2022-23, which can be accomplished within existing workload.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

<table>
<thead>
<tr>
<th>Agriculture</th>
<th>Colorado Energy Office</th>
<th>Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Chiefs</td>
<td>Forest Service</td>
<td>Higher Education</td>
</tr>
<tr>
<td>Municipalities</td>
<td>Natural Resources</td>
<td>Public Safety</td>
</tr>
</tbody>
</table>

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).